

P-500, 415/CP-93-1057 ORDER REQUIRING COST STUDY AND PROPOSED RATES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm
Tom Burton
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Petition for Extended Area
Service From Freeport to Melrose

ISSUE DATE: July 11, 1994

DOCKET NO. P-500, 415/CP-93-1057

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PROPOSED RATES

PROCEDURAL HISTORY

On October 25, 1993, telephone subscribers in the Freeport exchange filed a petition with the Commission for extended area service (EAS) from Freeport to the Melrose exchange.

On November 2, 1993, the Minnesota Department of Public Service (the Department) requested traffic information.

A traffic study was filed on January 20, 1994.

On March 8, 1994, the Department filed comments.

On June 28, 1994, the Commission met to consider this matter.

FINDINGS AND CONCLUSIONS

Minn. Stat. § 237.161 (1992) requires the installation of an EAS route when three criteria are met:

1. the petitioning exchange is contiguous or adjacent to an exchange or local calling area to which EAS is requested in the petition;
2. at least 50 percent of the customers in the petitioning exchange make one or more calls per month to the exchange or local calling area to which EAS is requested, as determined by a traffic study; and

3. polling by the Commission shows that a majority of the customers responding to a poll in the petitioning exchange favor its installation, unless all parties and the Commission agree that no polling is necessary.

A. Adjacency

The official exchange maps on file with the Department pursuant to Minn. Stat. § 237.16, subd. 2 (1992) show that the petitioning Freeport exchange shares a boundary with the petitioned Melrose exchange. For that reason, Freeport meets the adjacency requirement. See Minn. Stat. § 237.161, subd. 1 (a) (1) (1992).

B. Traffic

The statute requires that one or more calls be made to the petitioned calling area by at least half of the customers in the petitioning exchange. The telephone company serving the Freeport exchange, Albany Mutual Telephone Company (Albany) filed traffic data showing that over 75 percent of the subscribers made one or more calls from Freeport to Melrose.

On the basis of this data, the Commission finds that the traffic from Freeport to Melrose is more than sufficient to meet the statutory traffic requirement.

C. Polling

The EAS statute's third and final requirement is that polling of Freeport subscribers must show that there is sufficient subscriber support for the proposed route. Before proceeding to poll Freeport subscribers, however, the Commission will determine EAS rates for the Freeport exchange and make that information available to Freeport subscribers as part of the balloting process.

In preparation to set these rates, the Commission will require both Albany and the telephone company serving the petitioned Melrose exchange, Melrose Telephone Company (Melrose), to file cost studies and proposed rates for EAS between Freeport and Melrose.

ORDER

1. Within 60 days of this Order, Albany Mutual Telephone Company (Albany) and Melrose Telephone Company (Melrose) shall file cost studies and proposed rates. The cost study methodologies shall be consistent with previous Commission decisions for non-metropolitan area EAS routes.
2. The companies shall propose rates showing the petitioning exchange bearing 75 percent, 60 percent and 50 percent of the EAS revenue requirement.
3. Within 45 days after the filing of cost studies and proposed rates by the companies, the Minnesota Department of Public Service (the Department) shall file a report and recommendation concerning the proposed rates. If the Department recommends any changes to the cost studies or proposed rates, it shall file the new proposed rates assuming a 75 percent, 60 percent, and a 50 percent allocation to the petitioning exchange.
4. Parties shall have 20 days to respond to the report of the Department.

5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)